Ontario Lottery Corporation
1975
1985
Our Tenth Anniversary

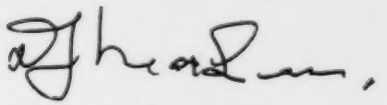
September 30, 1985

The Honourable John Eakins
Minister of Tourism and Recreation
77 Bloor Street West
Toronto, Ontario
M7A 2R9

Dear Mr. Eakins:

Pursuant to the provisions of the Ontario Lottery Corporation Act, I have the pleasure of presenting to you the 10th annual report of the Ontario Lottery Corporation for the year ending March 31, 1985.

Yours very truly,



Donald J. MacLean
Chairman of the Board

CONTENTS

	PAGE
Chairman/President's Report	2
Board of Directors	4
Senior Staff	5
Interview with the Chairman and President	6
Games	8
Staff	10
Distributors	12
Retailers	13
About Winners	14
Lottery Grants	16
10th Anniversary Celebrations	18
Distribution of Revenue	20
Financial Statements	21

Donald J. MacLean, left, and D. Norman Morris.

CHAIRMAN/PRESIDENT'S REPORT

When an organization celebrates a milestone such as a 10th anniversary, it is customary to pause, look back and assess its progress before moving on to the future.

With this in mind, the Ontario Lottery Corporation has prepared its 10th annual report to its shareholders, the people of Ontario.

Since 1975, when lottery proceeds were first harnessed for all Ontario's benefit, the Corporation has experienced strong support. Indeed, no clearer evidence of public enthusiasm for lotteries may be found than in the $1.3 billion in proceeds raised since then for thousands of public projects not normally eligible for government funding.

During the Corporation's first decade, a variety of game designs were introduced to meet player demand. As more people enjoyed the fun and low-cost entertainment of Ontario's games, lottery proceeds grew. These increased revenues allowed the government of Ontario to broaden the scope of lottery beneficiaries according to changing needs and wishes of Ontario residents.

Sports, fitness, cultural and recreational projects were the first to receive lottery funding. Next, health and environmental health-related research and social service enterprises were added. Hospital capital projects were targeted for multi-million dollar lottery assistance. And with the creation of the Trillium Foundation in 1982, province-wide charitable organizations began to share in the financial benefits of lotteries.

Today, thousands of lottery-funded projects, large and small, in every corner of the province, bear witness to the impact lotteries have had on our communities.

No one could have predicted the widespread benefits, nor the ripple effect, individual grants have had on the economy. Wintario alone can be credited with a $3 billion impact on the construction industry plus 30,000 jobs. And Ontario's small business community profited, too, from the $347.5 million earned by distributors and retailers in ticket commissions since 1975.

The financial contribution of the Ontario Lottery Corporation has been significant. For example, in its first year of operation, the Corporation recorded sales of $97.1 million, proceeds of $43.3 million and returned $36.1 million in prizes. It operated one game: Wintario.

In the fiscal year ended March 31, 1985, the Corporation registered a record-breaking $812.0 million in sales generating net profit/proceeds of $249.6 million. $415.5 million was returned as prizes. Over the past decade, Wintario has been joined by five other games:
Provincial, Lottario, Super Loto, Lotto 6/49 and Instant.

Much of the Corporation's success is derived from its continuing communication with players. The result of this dialogue can be seen in fresh and entertaining lottery products.

One such product is the Instant game. In fiscal 1984/85, the first full operating year of Ontario's scratch-off game, $92 million in sales were posted in a demonstration of player support. Incorporating a variety of different themes every year, the Instant game introduced the live, televised Million Dollar Sweeps event to Canada.

During this fiscal year, Lotto 6/49 recorded sales of $252 million, a

jump of $93 million from the year before. It showed the strongest growth of any game in the Corporation's product line.

Game administration expenses actually decreased slightly as a percentage of gross sales. However, a larger payment to the federal government and increased capital costs from the purchase of new equipment and the expansion of computer facilities, including the on-line game terminal network, resulted in higher overall operating costs.

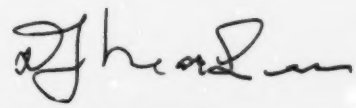
It is fitting that 1985 also sealed a new federal-provincial accord on lottery jurisdiction, guaranteeing lotteries will be administered solely by the provinces. In return, the provinces will continue federal payments under the existing 1979 agreement amounting to an inflation-indexed $34 million annually and pay an additional $100 million to the federal government over the next three years.

This new accord has put an end to previous disagreement which threatened to fragment the lottery market. It also ensures lotteries will continue the financial contribution Canadians have come to expect.

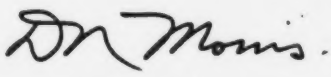
Behind the on-going growth of Ontario's lotteries is the Corporation's board of directors and 221 staff. Appreciation must be expressed once again to these men and women who ensure the games are operated efficiently, are fair to all and continue to be entertaining.

We also wish to pay tribute to the late Mr. Fern Guindon, a director of the Corporation since its beginning, who died August 21, 1985. Mr. Guindon, who was most recently vice-chairman, brought a great deal of sensitivity and expertise to the policy-making process.

With 10 years of operation now complete, we believe the Ontario Lottery Corporation has earned its place in our province's business community. As we look forward to another "Ten Winning Years", we would like to thank the people of Ontario for making the Ontario Lottery Corporation something of which we can all be proud.

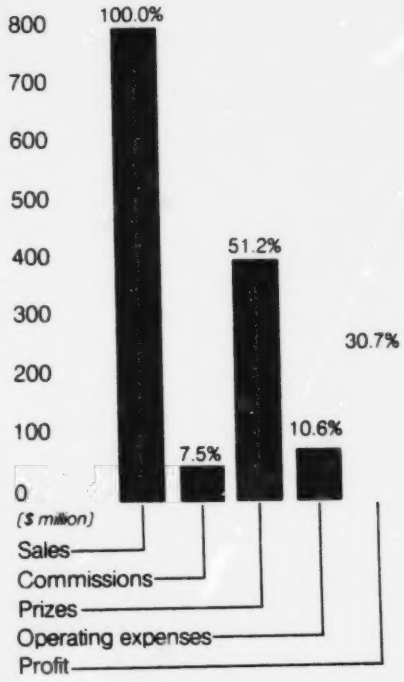


Donald J. MacLean
Chairman of the Board



D. Norman Morris
President

REPORT HIGHLIGHTS



TEN YEAR REVIEW *($ million)*

	1975/76	76/77	77/78	78/79	79/80	80/81	81/82	82/83	83/84	84/85
Sales	97.1	218.8	240.4	235.1	323.8	490.3	506.9	550.1	661.8	812.0
Commissions	12.5	22.4	24.2	22.5	28.3	41.2	41.4	44.1	50.3	60.6
Prizes	36.1	95.5	108.3	123.9	182.7	270.3	271.9	294.4	341.0	415.5
Total Operating Expenses	6.0	10.1	11.4	14.5	22.2	36.7	45.0	54.4	58.4	91.7
Interest	.8	2.0	1.9	2.5	4.3	6.7	8.9	6.4	4.6	5.5
Net Profit/Proceeds	43.3	92.8	98.4	62.6*	92.8*	148.8	157.5	163.5	216.7	249.6
Number of Games	1	2	2	3	3	4	4	5	6	6

**After Extraordinary Expenses*

BOARD OF DIRECTORS

The nine-member board of directors is an integral part of the Ontario Lottery Corporation, responsible for establishing policy. The board's success in translating the wishes of Ontarians into corporate direction can be measured by the organization's strong financial performance and enthusiastic public support.

Seated, left to right: C. Ronald S. MacKenzie, Albert Hansen, Donald J. MacLean, Mollie Callaghan. Standing, left to right: C. Gordon Ross, D. Norman Morris, Marvin L. Shore, Fern Guindon. Absent: Monique Jacques.

DONALD J. MACLEAN, *chairman* – Willowdale (Feb. 17, 1976 - Feb. 16, 1986). Appointed chairman in April 1984, Mr. MacLean has also served on the board of the Interprovincial Lottery Corporation for four years. A chartered life underwriter, he is chairman of the board of regents of Mount Allison University.

FERN GUINDON, *vice-chairman* – Cornwall (Feb. 17, 1975 - August 23, 1985 – deceased). A director since the Corporation's creation, Mr. Guindon was appointed vice-chairman in April 1984. During his career in the Ontario Legislature as member for Stormont from 1957 - 1974, he held a variety of cabinet portfolios.

MOLLIE CALLAGHAN, *director* – Toronto (Feb. 17, 1981 - Feb. 16, 1987). Mrs. Callaghan's journalistic background complements the extensive talents of the board. She contributes to several specialized publications.

ALBERT HANSEN, *director* – Ottawa (Oct. 29, 1981 - Feb. 16, 1987). Mr. Hansen's experience as a financial executive in the automotive industry is a valuable asset to both the Ontario and Interprovincial lottery corporations.

MONIQUE JACQUES, *director* – Kapuskasing (Feb. 17, 1981 - Feb. 16, 1987). Mrs. Jacques is vice-chairman of the Kapuskasing Separate School Board. She has also been active with the Canadian Cancer Society in its education department.

C. RONALD S. MACKENZIE, MD, *director* – St. Catharines (Feb. 7, 1981 - Feb. 16, 1987). Dr. MacKenzie is the gynaecology chief at Hotel Dieu Hospital in St. Catharines. He is also a former director of the Ontario Arts Council.

D. NORMAN MORRIS, CA, *president* – Mississauga. Mr. Morris is the chief executive officer of the Corporation. He is also a director of the Interprovincial Lottery Corporation and served as its president for 1984/85.

C. GORDON ROSS, BD, *director* – Scarborough (Feb. 17, 1981 - Feb. 16, 1986). After a law career, Mr. Ross was ordained a United Church minister in 1967. He is pastor of the Knob Hill United Church.

MARVIN L. SHORE, CA, *director* – London (Jan. 31, 1985 - Feb. 16, 1988). Mr. Shore has served as the member of provincial legislature for the riding of London North. A former chairman of the board of education for London, he is at present a practising partner in a London accounting firm.

SENIOR STAFF

The senior staff of the Ontario Lottery Corporation is responsible for the day-to-day business activities. Veterans in a young industry, this group carefully plans and carries out each step the Corporation takes.

Adam J. Hawkins,
executive vice-president

Douglas R. Mackie,
vice-president,
Marketing

J. Michael Holroyde,
vice-president,
Sales and Distribution

John MacNabb,
vice-president,
Computer Services

Kathy Petrik,
vice-president,
Corporate Communications

John Van Camp,
controller

The Ontario Lottery Corporation fields over 100,000 inquiries every year from lottery players. *Donald J. MacLean*, chairman and *D. Norman Morris*, president respond to some questions posed in the 10th anniversary year.

How have lotteries contributed to Ontario since they began in 1975?
MacLean: The most visible contribution is the millions of dollars lotteries have generated for worthwhile projects. In 10 years, over $1.3 billion have been turned over to the government for sports, fitness, cultural, recreational, hospital capital and social service projects and health and environmental health-related studies.
Morris: It's even more significant when you consider that before Ontario operated its own lotteries, a great deal of money was leaving the province and benefiting other lottery jurisdictions. By keeping these dollars at work in Ontario, there have been many spin-off benefits to the economy, particularly in the construction and small business sectors.

Now Ontarians have experienced their own lotteries for a decade; can you describe the kind of feedback the Corporation receives?
MacLean: Right from the beginning, lotteries have always enjoyed enthusiastic support. Our research shows that 85.3 percent of Ontario households have bought a ticket at one time or another.
Morris: From the thousands of inquiries and suggestions the Corporation receives every year, there is no doubt in my mind Ontarians' enjoy the low-cost entertainment value of lotteries. And players tell us they appreciate the added benefit that lottery proceeds are helping improve the quality of life for everyone.

How have Ontario's lotteries changed over 10 years?
Morris: We've grown from one game operated every two weeks (Wintario) to six games (Wintario, Provincial, Super Loto, Lottario, Instant, Lotto 6/49), each appealing to a different consumer group. Like any other marketing operation, we've worked hard to keep our products fresh and exciting by devising special features including multi-week bonus draws and automobile prizes.
MacLean: There's also a natural evolutionary process in the lottery product. As players become familiar with lotteries, they move toward games with more play value. That's the reason for the strong growth of lotto games, like Lottario and Lotto 6/49, and Instant lotteries.

Who plays Ontario's lotteries?
MacLean: Lotteries are supported by a large player base. With more than eight out of 10 Ontario households playing at some time and nearly six out of 10 playing regularly, our players must come from every socio-economic group.
Morris: People do not spend a large amount of money on lotteries. Instead, lottery revenues come from a large base of consumers, each spending a small amount.

Sales of lottery tickets have continually increased. What are the predictions for the future?
Morris: It seems to us the lottery market-place is reaching maturity.
MacLean: We think realistically the Corporation will not experience any of the dramatic sales increases of a few years ago. We are confident, however, with continued consumer support, lotteries will maintain a healthy sales performance.

Ontario draws tops says lottery boss

Lotteries have proved a benefit

Some critics say there is a danger that lotteries lead to compulsive gambling. Is this true?
MacLean: Current studies and experts in the field say there is no evidence to suggest such a link. However, since pathological gambling has only been recognized as a disease since 1980, a great deal of research is still required.
Morris: Noted authority, Dr. Robert Custer of the Department of Veterans Affairs in Washington, has, in fact, stated lotteries offer neither the immediate thrill nor the element of skill attractive to compulsive gamblers.

Is it necessary for lotteries to offer such large jackpots?
MacLean: Lotto games, like Lottario and Lotto 6/49, are designed with jackpot features that grow if not won. Players find it attractive. However, we are sensitive to the fact that some people, including major prize winners themselves, believe some prizes are too high.
Morris: Two years ago, Lotto 6/49 had a $14 million Jackpot. Shortly after that, the Interprovincial Lottery Corporation, which administers the game, introduced a slow-growth feature to divert the majority of jackpot money over $7 million to the second prize pool. However, as we found out last January, when you're dealing with chance, there are no guarantees. During that month, the Jackpot defied the odds and built to $11.3 million.

What happens to winners once they've won a big prize?
MacLean: From information we've gathered from big winners over the past years, we've found their lifestyles, by and large, remain the way they want them to.
Morris: I think there are many misconceptions about winners, particularly, that they are harassed. The real-life experience of winners is very different. Only 2.4 percent have experienced solicitations they would describe as "a problem" and 90.2 per cent of them keep their jobs.

How do lottery winners spend their prizes?
Morris: In general, winners are very sensible. Most invest their money in traditional ways. And we find most major winners have already sought expert advice and planned what they are going to do with their winnings – at least in the short term – before they collect their cheque.

As the needs of society change, do you foresee grants being allocated to different areas?
MacLean: The Ontario Lottery Corporation doesn't deal with grant allocations, but we've been told the grant programs are constantly under review. This allows for changes to benefit areas of society that might need more financial assistance than they were previously getting.
Morris: For example, starting in 1982, up to $15 million in lottery funds is allocated annually to the Trillium Foundation for various province-wide charities.

Donald J. MacLean

D. Norman Morris

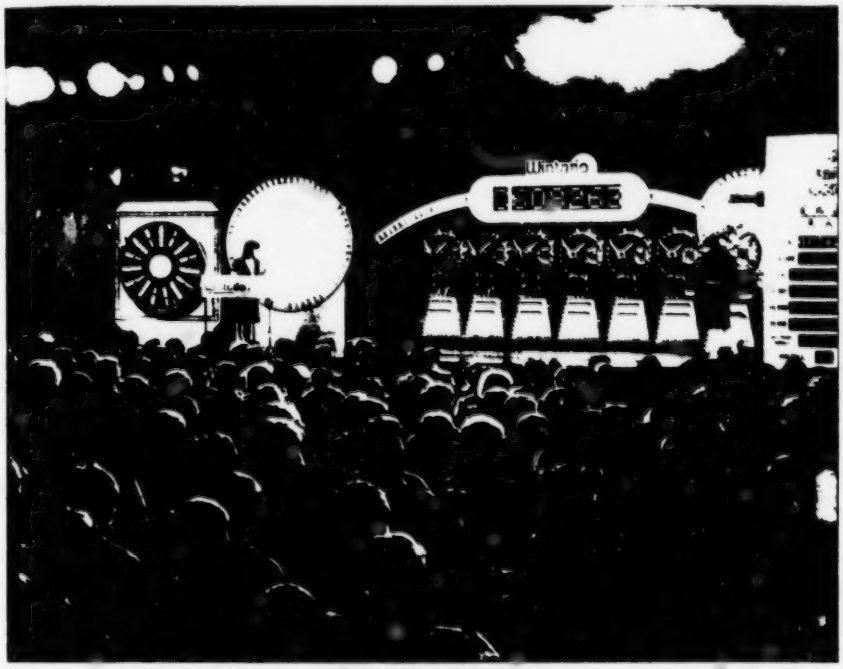
Over 10 years, Ontario's lotteries have evolved to meet changing player demands. The most recent fiscal year has continued this trend with the introduction of new concepts in bonus draws and game designs.

Fiscal 1984/85 represented the first full year of operation for the Instant game, which recorded total sales of $92.0 million. Shoot to Score, the first version, recorded sales of $22.8 million before ending in August 1984. It was followed by Match 3 Sweeps which introduced a new feature to Canadian lotteries: a sweepstakes. During its three months of operation, 41 players qualified for the sweepstakes final. On January 30, during a live, televised broadcast, prizes of $25,000, $50,000, $100,000 as well as the grand prize of $1 million were given away.

Wintario, with sales of $162.1 million, celebrated its 10th year of operation. Its grand prize doubled to $200,000, and the two-digit Win'fall number draw was brought back by popular demand. Bonus draws during the year, in the form of instant prizes of cash and automobiles, returned over $6 million in unclaimed prize money to players.

Cars were also popular with Super Loto players. Bonus draws in January and February offered 1,000 Canadian-produced automobiles. In May

Over the past 10 years, the Wintario draw show has logged over 380,000 miles in its visits to communities and towns across Ontario. The show has played to sold-out houses in every county in the province, providing Wintario players with a chance to see their lottery first-hand.
Local community groups, hosting the show, use it as a fundraiser, with proceeds from admissions going to help projects in the area. As well, pre-show entertainment provides a chance for local talent to perform.



DATELINE NORWICH

The Norwich Community Centre came alive with lights, cameras and action Thursday as Faye Dance and the Global Television crew rolled into to town to give away some of that provincial government dough on the weekly *Wintario* extravaganza. Sponsored by the Norwich-Otterville Lion's Club the show had sold over 1,000 tickets prior to airtime.
(Staff photo by Ted Rhodes)

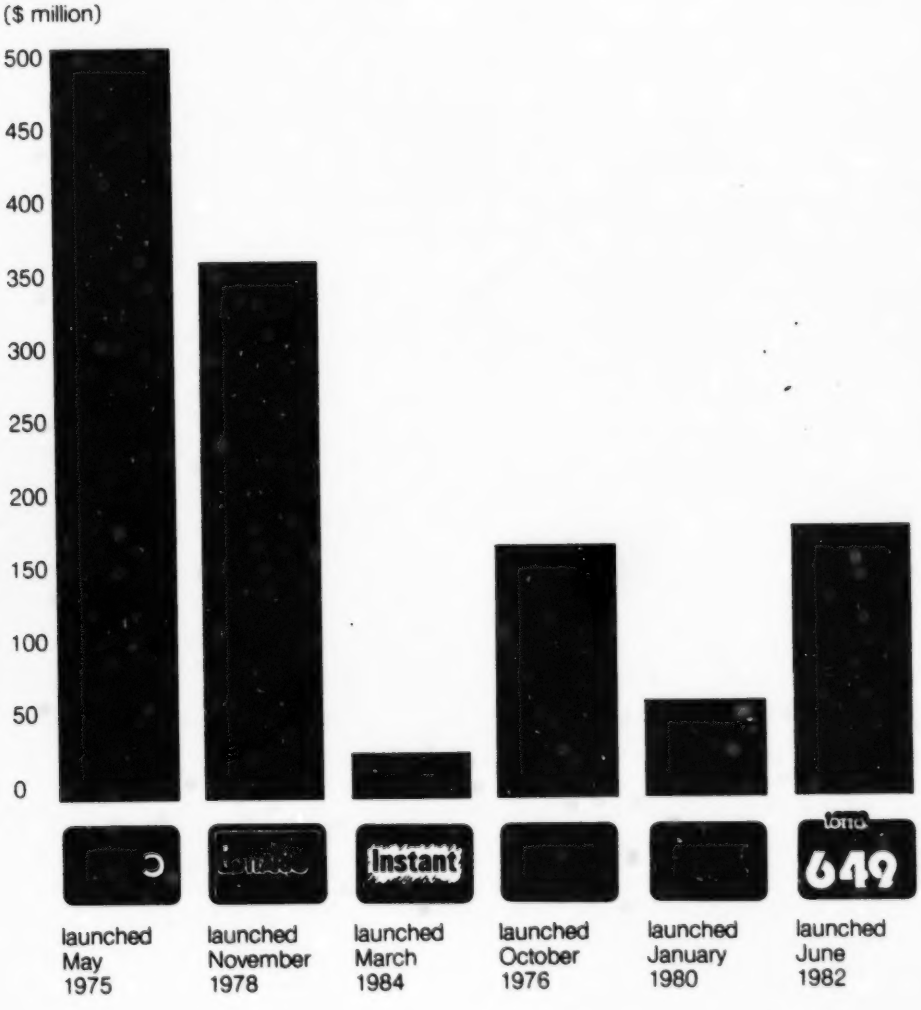
and August, players had a chance at cash bonus prizes of $10,000. In total, $20 million were up for grabs in bonus draws. And the regular four $1 million and five $100,000 prizes continued to be offered in the monthly draws, which generated $48.1 million in Ontario sales.

History was repeated in January as the Lotto 6/49 Jackpot once again rose above the $10 million mark. The $11.3 million Jackpot was claimed by a Toronto couple. Other large jackpots of $5 million and $7 million were also won. Ontario sales for this popular game reached $251.6 million.

Lottario, which generated sales of $210.1 million in the 1984/85 fiscal year, had a record Jackpot of its own when the first prize reached $2.6 million in February. Players also had an opportunity to share in $3 million in bonus prizes during draws held in May and June 1984 and March 1985.

A total of $10 million in prizes of $131,313.13, $55,555 and $25,000 were offered during Provincial bonus draws. The Friday draws also make regular prizes of $500,000 available each week. Total Ontario sales for the year were $48.0 million.

The chart below shows total profit generated by each game since its inception, highlighting profit accrued during the 1984/85 fiscal year.



Wintario hosts Faye Dance and Greg Beresford discuss the show with Ontario Lottery Corporation Draws and Television Production manager, Karen Ogden (left)

Bill Lawrence hosts the Lottario draw every Saturday night over the Global Television Network

Behind the scenes of the Ontario Lottery Corporation are 221 men and women. While their jobs may be varied, the goal of making Ontario's lotteries efficient, fair and entertaining is shared by all.

ive divisions compose the Corporation, each having responsibility for an important aspect of the lottery business.

The *Operations Division* is responsible for the smooth functioning of the organization. This division encompasses an extensive *Finance* department, which also pays out prizes through the *Prize Office*. The *Administration* and *Personnel* departments provide essential centralized services to all corporate operations. In addition, weekly televised Wintario and Lottario draws are organized and supervised by the *Draws and Television Production* department.

New games originate, and existing games are monitored, in the *Marketing Division*. With help from extensive consumer research, both *Passive Game* and *On-line Game* product managers work constantly on fine-tuning products to keep them entertaining for players. All advertising support for lottery games has its genesis here too. The prime method of communication with players, advertising is governed by a policy that avoids encouragement of unrealistic expectations or excessive spending.

The *Sales and Distribution Division* makes sure enough lottery tickets are available to players throughout the province. Working through a network

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of 47 independent distributors, the *Distribution* department monitors daily sales and provides advice and expertise for the 14,000 ticket sellers serving Ontario players. The *On-line Sales* department is responsible for serving and training the 2,700 retailers who also act as agents, operating the computer terminals necessary for Lottario and Lotto 6/49 games.

The expanding role of the *Computer Services Division* has occurred because of the technically-sophisticated nature of the lottery industry. The *Operations, Systems Development* and *EDP Research and Development* departments deal with day-to-day functioning of the two on-line games as well as administrative needs such as general ledger accounting, sales analysis, prize redemptions, communications monitoring and future software and hardware requirements.

The newest division – *Corporate Communications* – is the information arm of the Corporation. Close to 100,000 consumer mail or telephone inquiries are answered every year by the *Public Relations* department. Liaison with news media and production of most consumer literature are also handled here. A travelling information display, summer parade float and speakers' bureau program are operated by the *Community Events* section.

Reporting directly to the board of directors is the *Internal Audit* department which ensures all internal systems are operated in accordance with established procedures.

Staff page 10: 1. Sonia Mickevicius and Ken Brinston, Marketing. 2. Lorraine Friedman, Prize Office and winner. 3. Bob Weeks, Shirley White and Cecilia Fung, Corporate Communications. 4. Debbie Azan, Administration. 5. Darina Phillips (left) and Kim Moritsugu, Prize Office. 6. Mihai Georgescu, Computer Services.

Staff page 11: 1. Jock Fairclough (left) and Roy Mandeville, Draws and Television Production. 2. Carol Raymond-Jaisareesingh and Charles Hopper, Computer Services. 3. Sultan Ladak (left), John Potocny and Adriana Verbaan, Accounting. 4. Joan Crocker, George Sweny (standing) and Vince Kahnert, Sales and Distribution. 5. Lily Shaw, Computer Services. 6. From left: Ed Holton, Sandra Roach, Gillian Rosenbaum and Deborah Breckels, Corporate Communications.

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In an area as vast as Ontario, delivering tickets to outlets across the province is no easy task. But the 47-member distribution team makes sure the 14,000 retail accounts run efficiently.

When the Ontario Lottery Corporation was set up in 1975, one of its first challenges was how to deliver tickets to the retail network given the geographic realities of the province.

The Corporation decided to use the entrepreneurial spirit of independent business men and women to develop a distribution system that would reward according to effort. The result is a 47-member distribution team unique to the lottery business.

As independent business operators appointed by the board of directors, these distributors must fulfill the Corporation's stringent business and financial standards. Their operations are constantly monitored to ensure continuing top performance.

Recognizing the uniqueness of their business, distributors have developed a camaraderie that encourages them to share successes and ideas. They come from varied business backgrounds and pool their experience. A distributor council meets monthly with the Corporation's Sales and Distribution division. Often it acts as an invaluable early warning system, alerting the Corporation to potential areas of concern.

The distribution system provides mutual benefit for both parties. Working on a graduated commission basis, distributors' incomes depend on the number of tickets they sell. This provides great incentive for hard work and lean operations. By paying the distributor, the Corporation gets maximum benefit for its dollar and reduced overhead.

With fresh ideas and independent thought, the distribution team has been an integral part of the Ontario Lottery Corporation.

Business

Lottery man big winner

Mississauga businessman David Field was recently presented with a Corporation sales achieve distributes lottery tickets area

In announcing the aw president D Norman Mor resident himself explaine ed to acknowledge excepti ntiatives by outstanding sales network

The Ontario Lottery C network of 47 distributor products province-wide business operators these responsible for servicing retail outlets who sell ticke also service over 1 90 throughout the province

The corporation operate the province of Ontario Instant Provincial Supe s 49

Since its inception in 19 has generated more than $ tant public projects in th fitness culture recreat environmentally related health research and province-wide social service agencies

Local lottery distributor wins achievement award

RAY BOWES, a local distributor of Ontario and Provincial lottery tickets, recently received a sales achievement award from the Ontario Lottery Corporation.

In announcing the award, corporation president D. Norman Morris explained that it is designed to acknowledge exceptional efforts and initiatives by outstanding individuals of our sales network."

The corporation uses a network of 47 distributors to distribute its tickets province-wide. As independent business operators, these distributors are responsible for servicing over 16,000 retail outlets who sell tickets to the public. They also service over 1,900 on-line agents throughout the province.

The Ontario Lottery Corporation operates six lotteries in the province of Ontario: Wintario, Lottario, Instant, Provincial, Super Loto and Loto 6-49.

A 14,000-member network of retailers, reaching every corner of the province, provides players with their lottery tickets every week.

he convenience store, the barber shop, the tobacconist and the flower shop. What do all these stores have in common? Across the province, retailers just like these sell Ontario Lottery Corporation products. In over 14,000 outlets from Windsor to Wawa, lottery tickets are found on the counters of almost every kind of store.

For many retailers, lottery tickets represent a large portion of their revenue. In 10 years of operation, commissions to retailers have totalled $257 million. As well, a new retail business has been born – one that sells nothing but lottery tickets.

In keeping with the high visual profile of retailers, the Corporation introduced a retailer identification program for customer convenience. This program has helped remove some of the clutter and provided a consistent image in the market-place. Most important, however, is the aid it has provided to customers in spotting a lottery outlet.

Among the 14,000 retail accounts, approximately 2,700 are equipped with on-line terminals for Lottario and Lotto 6/49 sales. Last year, the Corporation began installing its third generation of terminals with some added features. One of these is "Quick Pick", a process which allows the terminal to select six numbers at random for players.

Bill Johnston has had a Lottario 6/49 computer terminal installed in his drug store on Front St. in Hastings. The machine will allow locals to buy lottery tickets in the village. He has decided to donate all the profits from the sale of tickets to two charities, half will go to the Campbellford Memorial Hospital building fund which is trying to raise about $500,0 other half wil the purchase of a $1.5 million Cat 'scan machine for Peterborough Gen Hospital

The unsung Gretzkys in other lines

We all know Wayne Gretzky is the top the hockey is now those professio he says, but there are others. But we are known just says but just as outstanding their fields.

With that in mind, the Sunday People section decided to find some of them – plenty exist – peers and producing a short list of the people in a range that ranges from media to movie managers. Meet some of Metro's Wayne Gretzkys of their profes sions.

Two

Public Rela

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Lottery Salesman Neil Kum, who runs Frank's Smoke Shop mall in Scarborough, sells more lottery tickets than anyone else in Metro, according to the Ontario Lottery Corp.

And Kum, who estimates his weekly total is "6 the Thistletop," says Lottario is still the most popular game with Wintario a close second. The 6/49 got a fun last week with the $14 million prize, but sweep in and week out, it's the Lottario.

Kum, 42, says he has a mix of regular customers and people who make sure to buy Lawrence-Warden neighborhood. Most of the people here are senior citizens and they're steady buyers.

Winners are what lotteries are all about. Whether big prizes or small, millions of Ontario lottery players have enjoyed the fun of winning prizes in their favorite games.

This year the Ontario Lottery Corporation returned over $415 million in prizes, ranging from a free ticket up to $11.3 million, bringing the 10-year total to over $2.1 billion or 133.6 million prizes.

Since 1975, many winners have held special plans for their money or had unusual circumstances surrounding their win. Glen Griffen established a place for himself in Corporation history by being the first person ever to claim a prize. At 8:30 a.m. on May 16, 1975, the day after the first Wintario draw, the Mississauga resident walked into the Prize Office and picked up a cheque for $100.

Another $100 winner was John Manarey of Toronto. However John collected more than a $100 cheque when he visited the Prize Office in April 1977. He became the one millionth person to claim a Wintario prize and was awarded a one-week holiday anywhere in the world CP Air flies. The prize allowed him to fulfill a dream to visit Australia.

Michael Sportun, of Etobicoke, was sitting at home watching the Wintario draw on television February 1, 1979, when his son, Bob, 300 miles away in Huntsville, was chosen from the audience to push the button to select a winning number. Bob certainly didn't let his father down, as the number that came up won Michael $10,000.

That's the end Orley and Margaret Cadotte hold up the $2,530,656.40 cheque they got yesterday at the Bloor St. W. lottery office for hitting the jackpot in the May 5 Lotto 6/49 draw.

Retired couple wins prize of $2.5 million

By Rose DiMarco Toronto Star

Margaret Cadotte says she has always been lucky with her lottery tickets. But she thinks she might have used up all of her luck when she and her husband Orley won the $2,530,656.40 Lotto 6/49 draw.

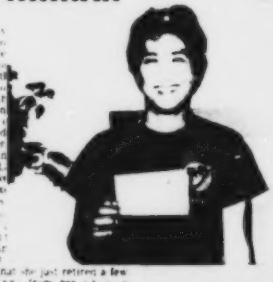
The Cadottes, who live at Pain Court near Chatham, now have 23 grandchildren — and they suspect that they can't be the only ones getting out of the weekend now that the word of their win is getting around.

"I suppose that might happen," said Mrs. Cadotte. "I don't think I want to go to the [illegible] — I've been there with [illegible] years."

But the Cadottes — who will be celebrating their 48th wedding anniversary next week — will be sharing some of the money with their children, who all live within a [illegible] of Pain Court.

And no one just retires a few months ago from her job as a [illegible] where she had worked for 20 years.

She said she and her husband, a retired farmer and factory worker, are not particularly fond of travelling, and they already own their own home.



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Toronto resident Antonio Gallardo was also a very special winner. In July 1982, his Super Loto bonus number came up twice in the same draw. By beating incredible odds, he won two Oldsmobile Cutlass Supremes.

Gus Gianicos of Toronto also knows about winning twice. On October 22, 1984, he was the instant winner of $10,000 in Match 3 Sweeps. On December 24, he bought another Instant ticket at the same store and won a second $10,000 prize.

A large television audience shared in Kiriakos Tzaras' win. The Willowdale resident became an instant millionaire during the Corporation's first Million Dollar Sweeps show in January 1985.

Helping to feed the hungry was the answer Antonia Paolucci gave when asked what she would do with her winnings. With her husband Mario, Mrs. Paolucci won $11.3 million in January 1985, the second largest Lotto 6/49 prize ever.

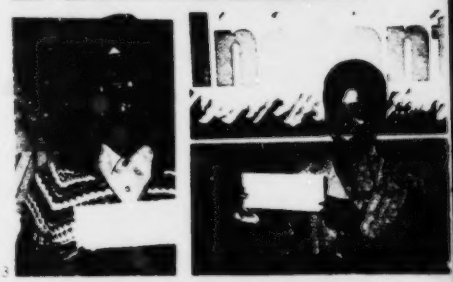
Probably the best known lottery winners, Brantford's Stuart and Lillian Kelly, also gave a great deal of their winnings to charity. From the $13.9 million they won in Lotto 6/49 in January 1984, they set up a charitable foundation to distribute funds to worthy causes.

Over the last year, a number of record jackpots have been won by players across the province. After the excitement of the large Lotto 6/49 Jackpot this January, Lottario experienced its own record Jackpot in February. A group of 21 men from Hamilton who had been pooling their tickets for three weeks claimed the $2.6 million prize.

Ken and Violet Brock were certainly glad Wintario doubled its grand prize to $200,000. They became the first winners of the new grand prize when their ticket number matched the winning number drawn April 12, 1984.

Ontario's lottery winners are very sensible when it comes to using their prizes. A survey of over 1,000 winners of $10,000 and more provided very reassuring figures. 90.2 percent returned to work following their win. 80.2 percent banked or invested their prize, 44.2 percent shared winnings with family and charities, 27.4 percent paid off their mortgage or purchased a new home, 28.4 percent bought a new vehicle and 24.6 percent travelled.

Another myth destroyed by the survey was that winners are harassed for donations. Only 2.4 percent reported problems with solicitations. And 91.2 percent of the winners surveyed said they were treated fairly by the news media.



Winners page 14: 1. Antonio Gallardo, Toronto – double Super Loto bonus winner. 2. John Manarey, Toronto – one millionth Wintario winner. 3. Glen Griffen, Mississauga – first Wintario winner.

Winners page 15: 1. Antonia and Mario Paolucci, Toronto – $11,265,338.00, Lotto 6/49. 2. Jean Johnson, Don Mills – $10,000, Match 3 Sweeps. 3. Balwant Singh Gill, Toronto – $50,000, Provincial. 4. Alexander and Anne Aitcheson, Port Hope – $39,809.30, Lottario. 5. Arnold Haapala, Sudbury – $200,000, Wintario. 6. Leno and Reta Pella, Hamilton – $55,555, Provincial bonus.

Grants photos facing page: 1. Clairmont Adult Summer Camp for the Handicapped. The March of Dimes uses funds from the Trillium Foundation for services to physically disabled adults. 2. Health and environmental-health research continues thanks to lottery dollars. 3. Hospitals across Ontario have used lottery dollars for building new facilities and renovating old ones. 4. Roy Thomson Hall. A capital grant from lottery funds assisted in the construction of this music centre. 5. Sports grants have assisted with equipment purchase, coaching seminars and transportation.

hen the Ontario Legislature created the Ontario Lottery Corporation 10 years ago, it was unanimously agreed lottery profits should go to projects not normally qualifying for government assistance. Today, lotteries continue to fulfil that mandate beyond all expectations. With the record $250 million generated in the fiscal year 1984/85, proceeds reached a 10-year total of $1.3 billion.

Throughout Ontario, there is visible evidence of lottery dollars being put to work in important ways through grants distributed by a variety of government ministries. Sports, fitness, cultural and recreational projects have enriched community life. Equally significant is the lottery funding which helps health and environmental health-related research, hospitals and charities.

Large capital grants, such as those to the Sudbury Science Centre and London's John P. Robarts Research Institute, which will study heart disease, aging of the brain and some immune disorders which cause juvenile diabetes and affect organ transplants, are perhaps the most obvious recipients of lottery monies. But thousands of smaller grants have impacted Ontario's quality of life.

Arenas, community centres and playing fields have been built with the aid of Ontario's lotteries. But lottery grants reach further than just the building of facilities. An important part of the Wintario grants program has been providing assistance for transportation costs for athletes, the hiring of qualified coaches and seminars for amateur sports administration.

In addition to sports, fitness and recreation, funds from the three provincial games, Wintario, Lottario and Instant, are used for cultural grants. Libraries have been a major recipient in this field. Talking and large-print books used to assist those with vision handicaps have been purchased by many communities. As well, lottery funds have been used to acquire Canadian books and art and to assist various arts organizations.

The interprovincial games, Provincial, Super Loto and Lotto 6/49, have provided funding for health and environmental-health research. Studies into acid rain, air and water quality and hazardous liquid spills have been financed. This

Wintario Half Back program for performing arts returns

Once again thousands of Ont- ario children will experience a live theatre performance thanks to the return of the successful Wintario Half Back program for the per- forming arts for schools.

Susan Fish, Minister of Citizenship and Culture, announ- ced the news recently at a June celebrating the Wintario Challenge Fund participant the Sutton Place hotel in Tor-

"Introducing children to rare and wonderous world- artists, creators and experi- ts as important to their gr and development as their i- duction to the marvels of sci and computers.

The program I am announ- today is identical to the Half- program that involved more- half a million children last ye- Ms. Fish said. The program include both touring and theatre performances and run from September this through June 30th 1985 to a fair and equal access to- participants.

Criteria under this year's gram remain the same- ron winning Wintario t- bought from the beginning September to the end of 1985 will be worth 50 ce- Schools will be able to use t- 00 Wintario tickets for a s- imum discount of $50 for touring performances in schools. For performances at a theatre schools will be able to use Wintario tickets for up to half the cost of each student admission for groups. Forty-nine touring companies received $76 [illegible] it- estimated that over 80 [illegible] ren enjoyed a live performance- their schools. In addition, 4- performing arts groups received

Lottery profits support hospital expansions

TORONTO (CP) — Although Ontario govern- ment cutbacks have left less money available for hospital expansion, three new hospitals and two replacements for old ones are opening this fall because of strenuous fund-raising, cautious bank balancing and an infusion of lottery money.

Premier David Peterson and other prominent federal, provincial and local officials were on hand Thursday when a replacement for Victoria Hospital, an 800-bed teaching hospital built for $5 million to serve patients from southwestern On- tario, opened in London.

"We're proud of the world-class facility we have here in London," Peterson said. But added he was unable to announce any funding deals for the second and final phase of the hospital's redevelopment project.

Other hospitals opening this fall include the new Credit Valley Hospital in Mississauga ($82 million), a replacement for the Bayerest Hospital in Toronto ($49.2 million) and the new Scarbor- ough Grace Hospital ($26.6 million). A replace- ment for Owen Sound General ($53.4 million) opens in December.

The Health Ministry has budgeted $731 million this year for capital expansion, compared with $547 million last year.

Over the next three years, the ministry intends to spend $75 million raised through lotteries which have already contributed more than $100 million to capital expansion budgets.

Peter Wood, a spokesman for the Ontario Hos- pital Association, said that due to rising costs and decreasing provincial funds, raising the average $50 million required to build a hospital requires political acumen and financial expertise unnecess- sary in the 1960s.

For years, the province traditionally paid two- thirds of the cost of a new hospital, any hospital seeking funds today is lucky to get 50-per-cent fi- nancing from the government, Wood said.

And a hospital whose board of governors can guarantee they will raise more than one-third of the costs will receive ministry approval much faster, the hospital association says.

Built on land owned by the Department of Vet- erans Affairs, the new Victoria Hospital, founded in 1875, owes its existence to political deal-mak- ing.

"We got to the approval stages many times," said hospital president Rodney Thorlinson. "But the most difficult part was putting together the proposal for the Ministry of Health. We developed I don't know how many plans, but the one that really opened the door was taking over care of the veterans.

By agreeing to handle the full-time care of 125 veterans and outpatient treatment for other southwestern Ontario hospitals, Victoria got a 13- hectare site in downtown London and $11.5 million from the federal government for the first phase of the project. Also contributing towards the cost was $5.1 million from the Ontario government, $1 million from a local fund and $800,000 from the City of London.

Another 34 hospitals are seeking money in On- tario. Five major projects, each of which will cost at least $20 million, have received the govern- ment's go-ahead — construction of the Markham- Stouffville Hospital, redevelopment of Doctors Hospital in Toronto and of hospitals in North Bay and Timmins and construction of a core building for St. Joseph's Health Centre in Toronto.

After a 17-year wait, Hamilton residents also will be provided with emergency services with the opening of a 24-hour clinic due for construc- tion this year, East Hamilton MPP Robert Mac- Kenzie said.

Three local projects get a big t with hefty Wintario grants

[illegible] TRETZEL
Staff Writer

[illegible] HILL — The [illegible]ockpot from Win- [illegible]out.

[illegible]20,000 in Wintar- [illegible]given to the town- [illegible]ree projects: the [illegible]nd Hill fair- [illegible]rchase of Metro [illegible]nd the construc- [illegible]ng field in Rich-

[illegible]ire MPP Don [illegible]shered the grants [illegible]ference on Mon- [illegible]the most signifi- [illegible]money we have [illegible]o into Richmond [illegible]area.

[illegible]$1 grant was [illegible] construction of [illegible]ers, the park on [illegible]at will be the new Richmond Hill [illegible]

[illegible]ill be used to con- [illegible]ngs which will [illegible]ural exhibits dur- [illegible]d be used for in- [illegible]wing and other [illegible]rest of the year. [illegible]ble to use it for [illegible]months of the [illegible]School which will become the new home of the Richmond Hill senior citizens club.

Mr. Cousens said he was especially thrilled to learn of this grant.

The town bought the school from the York Region Board of Education for $450,000, and will take possession on July 16.

The Ontario Ministry of Com- munity and Social Services has also approved in principal a grant of $112,500 over two years for this project, which will also involve renovating the school to make it accessible to seniors.

Ramps and elevators will have to be installed in the build- ing, adding another few $100,000 to the cost, said Mayor Duffy.

Mr. Cousens noted that the Wintario grant will allow the town to free up tax monies that would have been used to buy the school.

The third grant to Richmond Hill is $14,000 to develop an athletic field beside the Rich- vale Community Centre.

In total, Richmond Hill re- ceived $729,193 in Wintario funding for the three projects.

Markham also received a grant of $60,000 for the Pomona Valley Tennis Courts.

Markham Mayor Carol Bet- accepted the cheque saying that she was hoping Wintario would soon provide a grant for the new Markham theatre.

I'm hoping that with Rich- mond Hill getting this very sub- sum that the motion keeps mov- ing to the east," she quipped.

The total money allotted to the riding of York Centre in Wintario grants amounted to $789,193.

The province divided $25 mil- lion in Wintario funds between 125 ridings, meaning that the average allotment per munici- palities would be $200,000.

Mathematically we did ex- tremely well," said Mr. Cousens in an interview.

This is probably the best news we've ever had for Wintar- io support for the communities of Richmond Hill," he said.

Mr. Cousens told the press conference that people in this area have always been strong supporters of the lottery which is run by the provincial govern- ment to support community cultural and recreational pro- jects.

on-going research has made impressive gains in areas which have become more and more significant to residents of Ontario in the last 10 years.

Other issues of growing public concern, including organ transplants and the needs of the elderly, are being researched with the help of lottery funds. With the aim of improved health-care service for Ontarians, capital grants to hospitals have been directly responsible for much-needed renovations and construction.

Since 1982, social-service organizations have also shared in up to $15 million in lottery dollars every year distributed by the Trillium Foundation. Big Brothers, The Muscular Dystrophy Association of Canada, Ontario Association of Homes for the Aged and the St. Leonards Society of Canada are just a few of the groups being helped. At the close of fiscal 1984/85, the Trillium Foundation had granted and pledged $46.7 million to 47 charity groups, creating a direct or indirect benefit to 1,853 local branches and member groups across Ontario. These grants have furthered the work of over 100,000 volunteers.

Each of the thousands of grants made from lottery funds has a special meaning for those receiving them. But the result is the same for everyone: improvements to the province's quality of life that would not have been possible without Ontario's lotteries.

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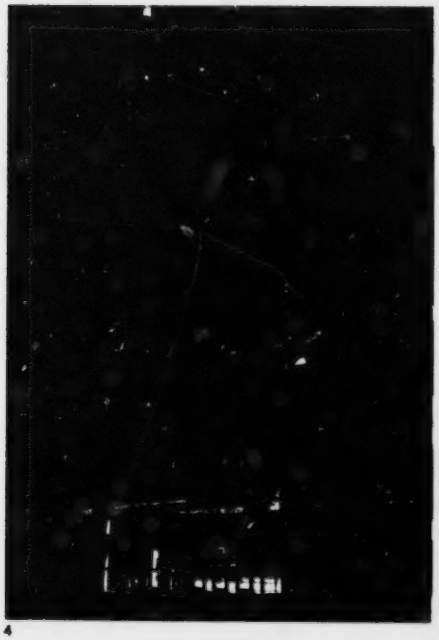

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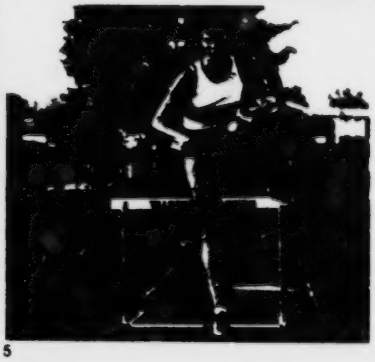

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10TH ANNIVERSARY

A birthday is a time for celebration. And the Ontario Lottery Corporation's 10th anniversary has been no exception. While May 1985 was officially "anniversary month", many special events have continued during the whole year.

A distinctive 10th anniversary logo consisting of 10 birthday candles in the red, yellow and blue corporate colors focussed attention on all birthday festivities.

As well, Ontarians invited fellow Ontarians to "Celebrate" their lotteries with a sing-along commercial.

The highlight of the celebration came May 30, 1985 with the televised "Ten Winning Years" show. It combined the largest Wintario bonus draw ever with a Million Dollar Sweeps final.

The program reminisced about the hundreds of communities Wintario had visited, the many ways lottery proceeds had been used and thanked the people of Ontario for their enthusiasm.

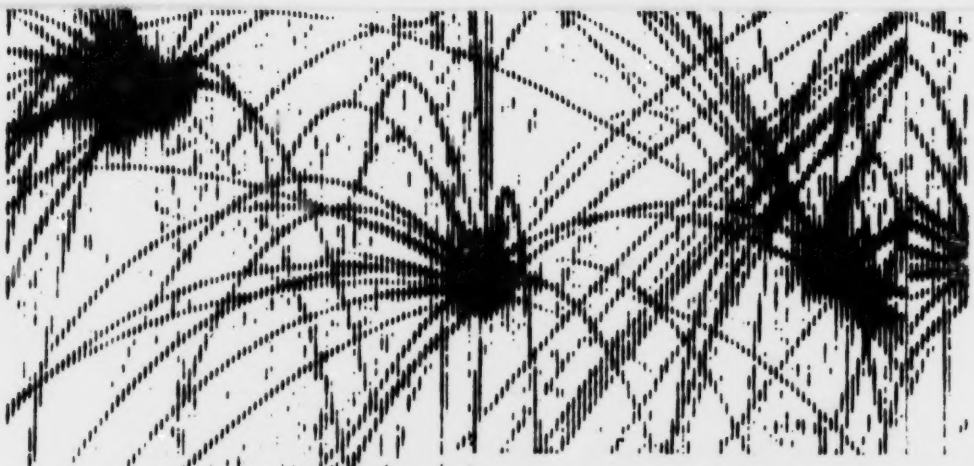
The Wintario draw show brought along birthday cake to every Thursday night stop during the month of May. At receptions following the program, audiences were invited to meet the people who put on the show and join in anniversary celebrations.

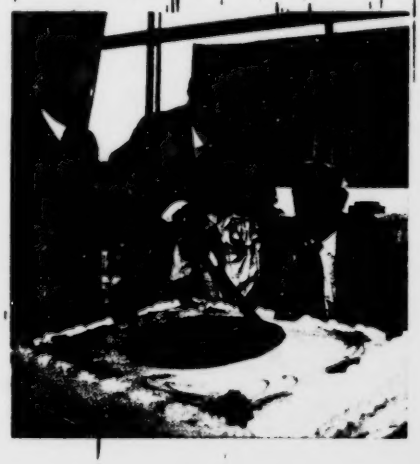
Also during May, Faye Dance and Winnie the Wintario Bear, greeted Prize Office visitors with birthday cake as they collected their prize cheques.

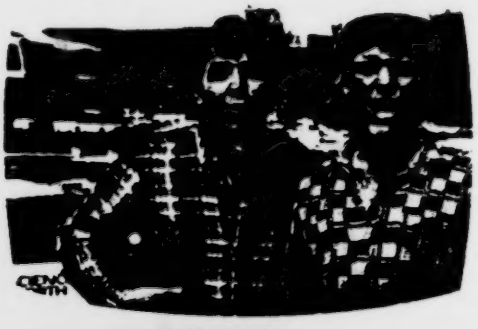
At community speaking engagements throughout Ontario, senior staff of the Corporation shared some behind-the-scenes experiences with local groups and answered questions about the decade of lotteries.

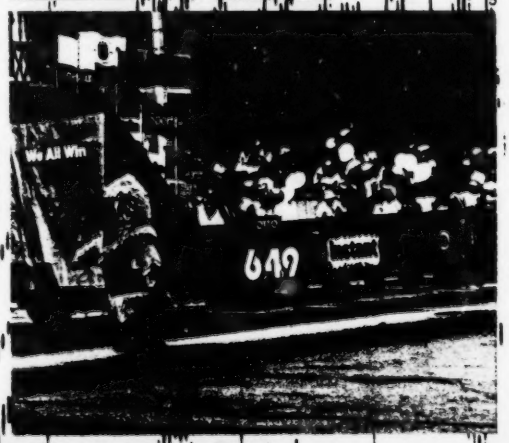
And the Corporation's parade float also brought lottery birthday festivities to villages, towns and cities across the province by being a part of community summer activities.

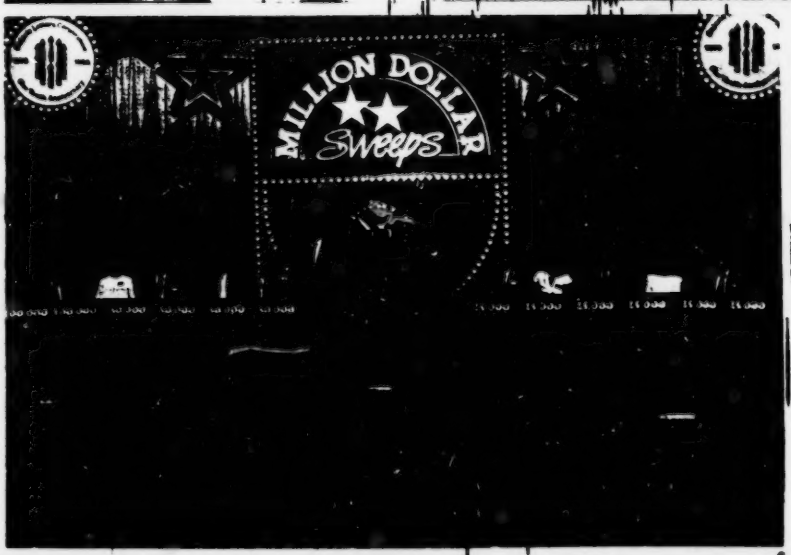
It has been a busy year for the Corporation. With the first 10 years complete, the Ontario Lottery Corporation now has its eye on the future to continue its record of contribution to the province.











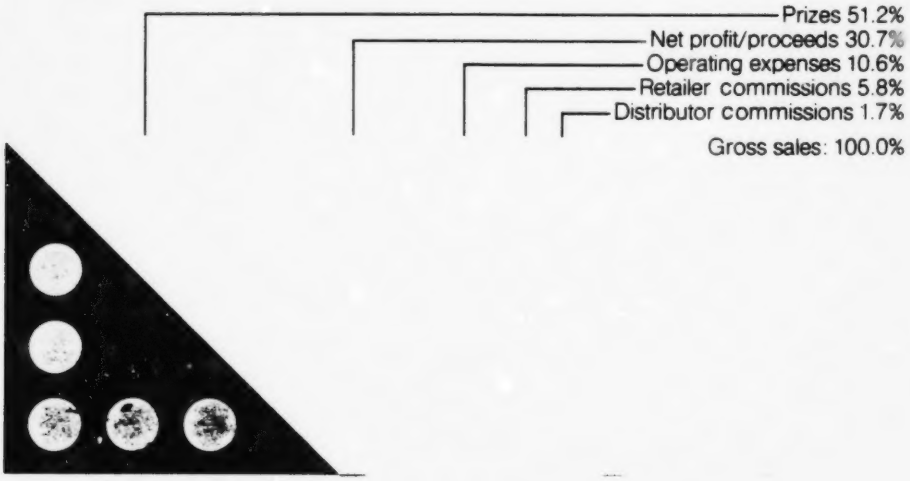
Ontario Lottery Corporation

1975 1985

Our Tenth Anniversary

1. From left: OLC president D. Norman Morris, Wintario hosts Greg Beresford and Faye Dance and Chairman Donald J. MacLean cut the 10th anniversary birthday cake. 2. Scenes from the 10th anniversary sing-a-long television commercial. 3. Jeannette and Peter Cozma of Windsor – $1 million Sweeps winners. 4. Wintario host Faye Dance and former host Fred Davis. 5. Ontario Lottery Corporation parade float and the Lottario Early Bird. 6. The Million Dollar Sweeps stage during the Ten Winning Years show.

DISTRIBUTION OF REVENUE (% of Gross Sales)



n the 1984/85 fiscal year, the Corporation recorded gross sales of $812.0 million, $150.1 million more than the previous year.

The increase meant a rise in net profit/proceeds to $249.6 million. These funds are allocated to sports, fitness, culture, recreation, health and environmental-health research and province-wide social service projects.

Prizes reached $415.5 million, representing 51.1 percent of gross sales. They ranged from free tickets right up to $11.3 million.

At $60.6 million, commissions were up in fiscal 1984/85. The Corporation pays commissions on two levels: to the 14,000 retailers and the 47 independent distributors.

Retailers receive a commission of 8 percent for selling Wintario and Instant tickets and 5 percent for other games. They also receive a further 3 percent for redeeming cash prizes of passive games and 2 percent for on-line prize redemptions. And, when a retailer sells a grand prize winning ticket, he or she receives a special bonus commission.

Distributors receive 1 percent commission on Instant tickets, an average of 2½ percent on Wintario, Provincial and Super Loto, and a weekly service fee of $3 for each on-line terminal.

Operating costs of $91.7 million comprise three areas: game administration, building and capital equipment and the payment to the federal government.

Game administration expenses, as a percentage of gross sales, decreased slightly. Actual costs were higher as a direct result of increased ticket sales and the Instant game launch.

The expansion of computer facilities, including the on-line terminal network, to better serve players in every corner of the province, combined with capital equipment acquisitions, increased building and capital equipment costs significantly over the previous fiscal year.

Payments of $15.9 million to the federal government as part of the 1979 agreement leading to Ottawa's withdrawal from the gaming field were $3.5 million higher than the previous year. $3 million of this was a result of an additional agreement in 1985. This brings Ontario's payments to date to $57.1 million.

(INCORPORATED WITHOUT SHARE CAPITAL UNDER THE ONTARIO LOTTERY CORPORATION ACT)

BALANCE SHEET
AS AT MARCH 31, 1985

	1985 ($000's)	1984 ($000's)
Assets		
Current assets		
Cash	20,570	9,369
Prize funds	43,596	32,261
Due from Interprovincial Lottery Corporation	3,925	3,117
Accrued interest	455	407
Accounts receivable	3,225	5,937
Prepaid expenses	313	263
	72,084	51,354
Liabilities		
Current liabilities		
Prize money unclaimed	43,596	32,261
Net profit/proceeds due to the Treasurer of Ontario (notes 3 and 4)	4,137	4,560
Accounts payable and accrued liabilities	16,667	7,317
Due to Government of Canada (note 9)	3,000	—
Deferred income	4,684	7,216
	72,084	51,354

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

STATEMENT OF NET PROFIT/PROCEEDS DUE TO THE TREASURER OF ONTARIO
FOR THE YEAR ENDED MARCH 31, 1985

	1985 ($000's)	1984 ($000's)
Balance, beginning of year	4,560	4,821
Net profit/proceeds for the year		
Wintario	28,618	40,128
Lottario	66,900	74,781
Instant (note 7)	26,819	2,798
Provincial	15,745	16,319
Super Loto	12,880	15,884
Lotto 6/49	98,615	66,829
	249,577	216,739
Less payments to the Treasurer of Ontario on account of net profit/proceeds:		
Wintario (note 3)	29,000	40,000
Lottario (note 3)	67,000	76,000
Instant (notes 3 and 7)	26,000	2,000
Provincial (note 4)	16,000	16,000
Super Loto (note 4)	14,000	15,000
Lotto 6/49 (note 4)	98,000	68,000
	250,000	217,000
Balance, end of year		
Wintario	78	460
Lottario	212	312
Instant	1,617	798
Provincial	887	1,142
Super Loto	519	1,639
Lotto 6/49	824	209
	4,137	4,560

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 1985

	1985 ($000's)	1984 ($000's)
Cash ticket sales	759.452	608.752
Free tickets	52.522	53.066
	811.974	661.818
Less commissions – retailers and distributors	60.612	50.318
	751.362	611.500
Prizes		
Wintario – cash	64.380	64.456
– free tickets	35.196	42.908
Lottario	105.053	100.670
Instant – cash	39.603	4.805
– free tickets (note 7)	7.920	–
	252.152	212.839
Cost of tickets (note 2)		
Provincial	22.897	26.431
Super Loto – cash	18.409	20.103
– free tickets	9.406	10.158
Lotto 6/49	112.674	71.488
	163.386	128.180
Operating expenses		
Advertising	22.074	18.389
Ticket printing	10.046	7.953
Administration and other expenses	21.625	18.404
Payment to Government of Canada (notes 5 and 9)	15.918	12.406
Equipment and building	22.070	1.202
	91.733	58.354
Operating income	244.091	212.127
Interest	5.486	4.612
Net profit/proceeds for the year	249.577	216.739

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES
   (a) Basis of Accounting
   The Corporation's financial statements are prepared in accordance with generally accepted accounting principles except for fixed assets which are written off to operations at the time of acquisition.
   (b) Deferred Income
   Revenues received net of expenses incurred for draws held subsequent to March 31st are deferred except for the Instant Game where most prizes are won instantly rather than being dependent on a draw.

2. PROVINCIAL, SUPER LOTO AND LOTTO 6/49
   Pursuant to section 7(b) of the Ontario Lottery Corporation Act, the Corporation was authorized by the Lieutenant Governor in Council to enter into agreements with other provinces regarding an interprovincial lottery scheme. The Provincial, Super Loto and Lotto 6/49 lotteries are joint undertakings by all provinces acting through the Interprovincial Lottery Corporation, a company incorporated under the Canada Business Corporation Act, the shares of which are held by Her Majesty the Queen in right of the respective provinces.
   The Corporation is the Regional Marketing Organization for the Provincial, Super Loto and Lotto 6/49 in Ontario. The Corporation purchases Provincial and Super Loto tickets from the Interprovincial Lottery Corporation and manages the sale of Lotto 6/49 tickets on their behalf. The cost of tickets for the three games is composed of Ontario's proportional share of prizes based on the number of tickets sold, plus their proportionate share of the operating expenses net of interest income of the Interprovincial Lottery Corporation.

3. NET PROFITS – WINTARIO, LOTTARIO AND INSTANT
   Pursuant to section 9 of the Ontario Lottery Corporation Act, the net profits of the Corporation after provision for prizes and the payment of expenses and operations, are payable into the Consolidated Revenue Fund of the Province.

4. NET PROCEEDS – PROVINCIAL, SUPER LOTO AND LOTTO 6/49
   Pursuant to Order in Council 226/83, all moneys attributed to or accruing to Ontario from the Provincial, Super Loto and Lotto 6/49 after providing for prizes and the payment of operating expenses, are payable into the Consolidated Revenue Fund of the Province of Ontario to be held in trust.

5. PAYMENT TO GOVERNMENT OF CANADA (note 9)
   An agreement was made between the Government of Canada and the Province of Ontario in August 1979 which stipulated that the Government of Canada would withdraw from the sale of lottery tickets effective December 31, 1979. Effective January 1, 1980 the agreement required the provinces to remit quarterly to the Government of Canada the sum of $6 million, appropriately adjusted to reflect the effects of inflation. The provinces agreed to share this cost based on a formula which took into account each province's population and proportionate ticket sales.
   Effective April 1, 1983 this formula was amended by the provinces and is based on a formula which takes into account population and disposable income.
   Ontario's share of the payment for the fiscal year ended March 31, 1985 was $12,918,000 (1984-$12,406,000) and was remitted to the Government of Canada through the Interprovincial Lottery Corporation.

6. COMMITMENTS
   (a) Terminal Purchases
   During the fiscal year ended March 31, 1984 the Corporation entered into an agreement to purchase, over a period of three years 3,000 lottery terminals valued at approximately $25 million. As at March 31, 1985 approximately $16 million had been spent for the acquisition of these terminals.
   (b) Operating leases
   The Corporation occupies office space at various locations under operating leases expiring over terms varying from one to ten years. The estimated minimum cost of such leases is $6,583,000 in the aggregate. The annual minimum rentals for the next ten years are as follows:

	($000's)
1985-86	640
1986-87	560
1987-88	538
1988-89	538
1989-90	538
1990-95	3,769

7. INSTANT GAME
   On March 5, 1984 the Corporation introduced its first Instant Game and during the current fiscal year two additional versions of the game were introduced.

8. INCOME TAXES
   As a Crown corporation of the Province of Ontario, the Corporation is exempt from income taxes and accordingly no provision is required.

9. SUBSEQUENT EVENT
   On June 3, 1985 an additional agreement was made between the Government of Canada and the Province of Ontario which stipulated that the Government of Canada refrain from reentering the field of gaming and betting. It also introduced amendments to the Criminal Code to ensure the right of the Provinces in the field of gaming and betting are not reduced or restricted.
   The agreement requires the Provinces to remit to the Government of Canada the sum of $100 million to be paid in three equal installments on or before December 31, 1985, 1986 and 1987. The Provinces have agreed to share these payments based on the existing formula established under the agreement dated April 1, 1983 (note 5). The Corporation estimates its share of the payment due December 31, 1985 will approximate $12 million and a provision of $3 million has been recorded in the financial statements as of March 31, 1985.

Office of the
Provincial
Auditor

To the Board of Directors of the Ontario Lottery Corporation and to the Minister of Tourism and Recreation.

I have examined the balance sheet of the Ontario Lottery Corporation as at March 31, 1985 and the statements of operations and net profit/proceeds due to the Treasurer of Ontario for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policy described in Note 1a to the financial statements, applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Corporation and to the Minister.

D.F. Archer, F.C.A.,
Provincial Auditor.

Toronto, Ontario
August 2, 1985

Ontario Lottery Corporation

2 Bloor Street West
Toronto, Ontario
M4W 3H8
(416) 961-6262

Winning Numbers
Wintario (416) 870-9170
Lottario (416) 870-9122
Provincial (416) 870-9161
Super Loto (416) 870-9135
Lotto 6/49 (416) 870-9134

Ontario
Ministry of Tourism and Recreation
Hon. John Eakins
Minister
James W. Keenan
Deputy Minister